

Auditor's Summary

Financial Audit of the Employees' Retirement System of the State of Hawai'i

Financial Statements, Fiscal Year Ended June 30, 2019



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THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Employees' Retirement System of the State of Hawai'i, as of and for the fiscal year ended June 30, 2019. The audit was conducted by KPMG LLP.

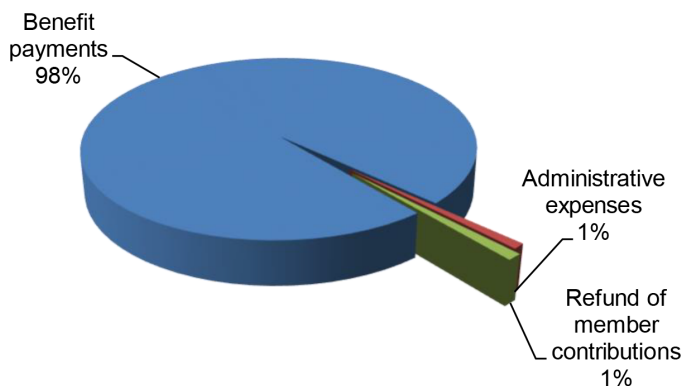
About the System

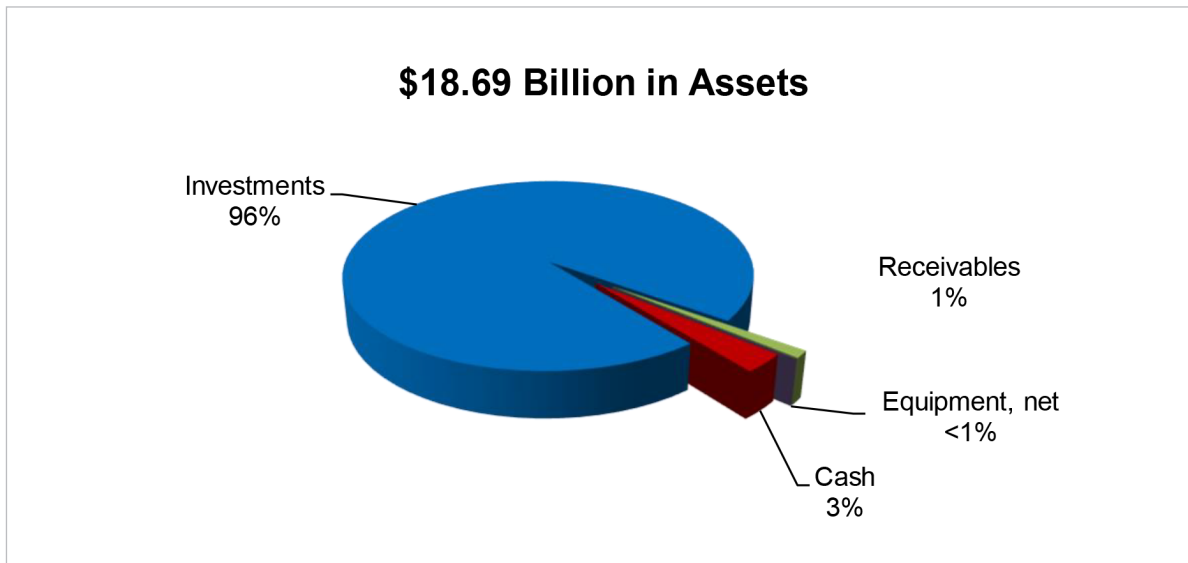
The Employees' Retirement System of the State of Hawai'i (ERS) is a cost-sharing, multiple-employer retirement system for government workers. Through its pension benefits program, ERS provides a defined-benefit pension plan for all state and county employees, including teachers, professors, police officers, firefighters, correction officers, judges and elected officials. ERS is governed by a Board of Trustees, which consists of eight members.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2019, ERS reported total net additions of approximately \$2.13 billion. Additions consisted of \$1.2 billion from contributions and \$933 million in net investment income.

\$1.5 Billion in Deductions





Total deductions of approximately \$1.5 billion consisted of (1) \$1.47 billion for benefit payments; (2) \$14 million for administrative expenses; and (3) \$17 million for refund of member contributions.

As of June 30, 2019, assets totaled \$18.69 billion and liabilities totaled \$1.46 billion, leaving a net position balance of \$17.23 billion. Total assets included (1) investments of \$17.89 billion; (2) receivables of \$222 million; (3) cash of \$576 million; and (4) net equipment of \$7 million.

Auditor's Opinion

ERS RECEIVED AN UNMODIFIED OPINION that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Findings

THERE WERE NO REPORTED DEFICIENCIES IN INTERNAL CONTROL over financial reporting that were considered to be material weaknesses and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2019_Audit/ERS2019.pdf
